



GULF & MISSISSIPPI RAILROAD CORPORATION

P. O. BOX 1248
COLUMBUS, MS 39703

605 2ND AVE. NORTH
COLUMBUS, MS 39701

June 25, 1987

Secretary
Interstate Commerce Commission
Washington, DC 20423

Date 7/29/87
Fee \$ 10.00
ICC Washington, D.C.

RECORDATION NO. 1 5275 Filed 1425
JUL 29 1987 - 3 22 PM
INTERSTATE COMMERCE COMMISSION

Dear Secretary:

I have enclosed an original and two copies of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a railcar lease, a primary document, dated January 15, 1986. The names and addresses of the parties to the documents are as follows:

Lessor: The CIT Group/Capital Financing, Inc.
270 Park Avenue, 29th Floor
New York, NY 10017

Lessee: Gulf & Mississippi Railroad Corporation
605 Second Avenue, North
Columbus, Mississippi 39701

A description of the equipment covered by the document follows:

Bulkhead lumber flatcars, AAR designation car type F353, Mechanical FBS; 25 cars in series GMSR 945007 to GMSR 945087 and GMSR 995021 to 995095.

~~Enclosed is the filing fee of \$10.00.~~

~~Please bill us for the filing fee of \$10. Our account number is 2506.~~

Return the original and any copies not needed by the commission for recordation to the Gulf & Mississippi Railroad at the above address.

A short summary of the document to appear in the index follows:

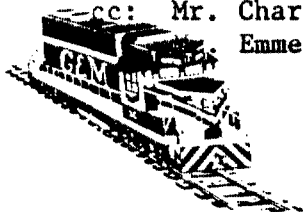
Railcar lease agreement covering 25 flatcars between CIT Group/Capital Financing and the Gulf & Mississippi Railroad. The cars are designated AAR mechanical code FBS and car type F353, with GMSR identify marks in the series 945007 to 945087 and 995021 to 995095.

Yours truly,

J. A. Butler
F. A. Butler

Superintendent of Transportation

cc: Mr. Charles J. Bryan
Emmett W. Mankin



"THE CUSTOMER COMES FIRST: THEIR NEEDS ARE OUR NEEDS"

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

8/4/87

F.A. Butler
Gulf & Mississippi RR. Corp.
P.O.Box 1248
Columbus, MS. 39703

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/29/87 at 3:30pm, and assigned recordation number(s). 15275

Sincerely yours,

Norata R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

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RAILCAR LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made and entered into as of this 15th day of January, 1986, by and between The CIT Group/Equipment Financing, Inc., a New York corporation, hereinafter called "Lessor," and Gulf and Mississippi Railroad Corporation, a Mississippi corporation, hereinafter called "Lessee."

1. Equipment and Lease Charges: Lessor agrees to furnish to the Lessee, and the Lessee agrees to accept and use, upon the terms and conditions herein set forth, the following described railcars (hereafter "Cars"), for the use of each of which the Lessee agrees to pay Lessor the following lease charges (hereafter "Lease Charges"):

<u>Number of cars</u>	<u>Description</u>	<u>Lease Charges</u>	<u>GMSR Car Markings</u>
10	61 foot, 100 ton capacity, bulkhead flatcars built in 1970	Monthly lease rate per Car is \$205.00	995021 995049 995030 995055 995042 995070 995043 995084 995048 995095
15	61 foot, 100 ton capacity, "A frame" bulkhead flatcars built in 1970	Monthly lease rate per Car is \$205.00	945007 945052 945009 945056 945018 945058 945022 945067 945025 945071 945035 945076 945045 945087 945047

Lease charges shall become effective, with regard to each of the Cars, on January 15, 1986 and shall continue in effect, with regard to each of the Cars, until returned to Lessor at the end of the term of this Agreement, as hereafter provided in Article 5. Payment of Lease Charges shall be made to Lessor at the address specified in Article 15, or to such other place as Lessor may direct, on the last day of each month in arrears except that the first month's payment is due upon the execution of this agreement. Rent for any car for any partial month shall be pro-rated on a daily basis, with adjustment of any partial payments due to be made upon the second month's lease payment. Any costs incurred by Lessor in collecting Lease Charges wrongfully withheld by Lessee, including reasonable attorney fees, will be paid by Lessee.

Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off, counterclaim, recoupment or defense against rent or any other amount payable hereunder for any reason whatsoever, including, but not limited to, abatements, reductions, set-offs, counterclaims recoupments or defenses due or alleged to be due by reason of any past, present or future claims of Lessee against Lessor or any other person for any reason whatsoever, except as otherwise provided in Articles 4, 6, and 9 below; nor shall this Agreement terminate or the obligations of Lessee be otherwise affected by reason of any defect in condition, design, operation or fitness for use of any Car or damage to or loss of possession or loss of use or destruction of all or any

of such Cars from whatever cause and of whatever duration, except as otherwise provided in Articles 4 and 6 below, or the prohibition of or other restriction against Lessee's use of all or any such Cars, or the interference with such use by any person or entity or the invalidity or unenforceability or lack of due authorization of this Agreement or any insolvency of or the bankruptcy, reorganization or similar proceeding against Lessee.

Lessor covenants that so long as Lessee is not in default hereunder, Lessee shall have and enjoy an unconditional right quietly to enjoy and use all Cars free from any disturbance or interruption of possession arising as a result of any action or inaction, failure of title, or conduct of or by Lessor, or of or by any assignee of its rights hereunder.

2. Delivery of Cars: Each Car has been delivered to Lessee at an interchange between the Illinois Central Gulf Railroad and Lessee free of transportation charges on the Illinois Central Gulf Railroad. Lessee confirms that all Cars have been inspected and accepted by Lessee. The average delivery date was January 15, 1986.

3. Warranties and Representation: LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE CARS WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS AGREEMENT TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN, THE CARS, ALL OF WHICH ARE EXPRESSLY DISCLAIMED AND LESSOR SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, ON ACCOUNT OF ANY DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY CAR.

4. Responsibility for Damage or Destruction of Cars: If any of the Cars are lost, destroyed, or damaged beyond economic repair in the opinion of Lessee (except when the car is in the possession of Lessor), Lessee agrees to pay Lessor the settlement value of the Car computed under Rule 107 of the Interchange Rules adopted by the Association of American Railroads (hereafter "A.A.R. Code of Rules") within 30 days of such occurrence. Lease Charges with respect to any Car shall abate upon the date Lessor is paid the above settlement value.

Upon payment by Lessee to Lessor of the settlement value of any Car as hereinabove provided, so long as Lessee is not in default hereunder, such Car and/or devices shall become the property of the Lessee. In order to facilitate the sale or other disposition of any Car which becomes Lessee's property as hereinbefore provided, Lessor shall, upon request of Lessee, execute and deliver to Lessee or to Lessee's vendee, assignee or nominee, a bill of sale for such Car, warranting title free and clear of all liens, security interests, and other encumbrances (except such as may have arisen by, through or under Lessee during the term of this Agreement) and such other documents as may be required to release such Car from the terms and scope of this Agreement and from any other lien or encumbrance of Lessor's making, undertaking or sufferance, in such forms as may be reasonably required by Lessee.

5. Return of Cars: The Lessee agrees, immediately upon the expiration or termination of this Agreement without demand by Lessor, to return each of the Cars to Lessor uncontaminated and in the same condition as received, less reasonable wear and tear, and free of liens arising by, through or under Lessee, at a point specified by Lessor along the route system of Lessee and to pay rent on each Car until such return. Rent for each car shall cease when all Cars are returned in the above condition to the

point referenced above, or are placed in storage at the request of Lessor as stipulated below. Within ten days after the last Car has been returned or placed in storage, Lessor shall inspect the Cars and certify whether they are in the same condition as received by Lessee, less reasonable wear and tear. Any Cars not in such condition shall be repaired at Lessee's expense or purchased pursuant to Article 4.

Lessee shall provide up to one hundred eighty (180) days free storage for all or less than all Cars at the request of the Lessor at the expiration or termination of this Agreement. (i) Upon expiration or termination of this Lease or storage period, Lessee agrees to transport the Cars free of charge to any point on the tracks of Lessee, and (ii) Lessee agrees to pay up to \$250 per Car to Lessor for costs involved in transporting the Cars to a new user. Lessee will be given the opportunity to minimize these costs to Lessor prior to transportation to a new user.

6. Maintenance and Repair: The Lessee shall use the Cars only in the manner for which designed and intended and subject them only to ordinary wear and tear. Lessee shall, at its own cost and expense, maintain and keep the Cars in good order, condition and repair, ordinary wear and tear excepted. Any parts installed or replacements made by Lessee shall be considered accessions to the Cars and title thereto shall be immediately vested in Lessor, without cost or expense to Lessor. Lessee will not permit any liens or encumbrances to be placed on the Cars and will promptly take action, at its expense, to remove and discharge any liens that may be placed on the Cars.

Lessee shall comply with the FRA and all other applicable governmental laws, regulations and requirements and other binding regulations with respect to use, maintenance and operation of the Cars during the term of this Lease.

7. Freight and Other Charges: Lessor shall not be obligated for the payment of any switching, freight, or other charges incurred by the movement or the holding of the Cars, either loaded or empty, during the term of this Agreement, and all of which will be paid by Lessee. Lessor shall have no right or claim to any per diem, demurrage or other Car hire charges arising out of the use of the Cars and all such charges, as applicable, shall belong and be payable to Lessee.

8. Lettering of Cars: Lessee will supply reporting marks for the Cars in accordance with the A.A.R. Code of Rules. Lessee agrees to keep and maintain on the sides of each Car in letters not less than one-half inch in height the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION".

9. Responsibility for Taxes: Lessee agrees to assume responsibility for, and to pay, all taxes, costs, fines and assessments of every kind levied upon the Cars during the term of this Lease, and to file all reports relating thereto; provided, however, that Lessee shall not be responsible for federal or state taxes based upon the income of Lessor.

10. Responsibility for Lading: Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the Cars, however such loss or damage shall be caused, or shall result. The Lessee agrees to assume responsibility for, and to indemnify Lessor against, and to save it harmless from, any such loss or damage or claim therefor.

11. Indemnification: Lessee agrees to indemnify and save Lessor harmless from

any and all claims, demands, causes of action, cost, and expenses, including attorney fees, arising directly or indirectly out of the use, custody, control, operation, delivery or transportation of the Cars, whether in contract, tort, strict liability in tort or otherwise. In any personal injury action(s) arising from the operation of said Cars naming Lessor as a defendant, Lessee agrees, except for Losses caused by the acts or omissions of Lessor, if Lessor so requests, to undertake the defense and costs associated therewith immediately upon tender of said defense, including payment of any judgment directed against Lessor jointly or severally. Lessee also agrees to pay and indemnify Lessor from any and all penalties, fines, and levies arising from the use, custody, operation, transportation and delivery of said Cars under this Agreement. Lessee's obligations hereunder shall survive the termination or expiration of this Lease.

12. Assignment: Lessee shall be entitled to the possession and use of the Cars in accordance with the terms of this Lease. Except as herein provided, Lessee will not assign, transfer, encumber or otherwise dispose of this Lease, the Cars or any part thereof, or sublet any Car without the prior written consent of Lessor. Lessee will not permit or suffer any encumbrances or liens to be entered or levied upon any Car, other than such as may arise by, through, or under Lessor or any assignee of Lessor's rights hereunder.

Lessee acknowledges and understands that Lessor may without notice to Lessee, assign its interest under this Agreement in and to the Cars to a bank or other lending institution as security for one or more loans. Lessee agrees, in the event of any such assignment and upon notice thereof from Lessor, and only in the event of such assignment to one or more such assignees: (i) to recognize such assignment; (ii) to make all payments of Lease Charges and other amounts due under the Agreement as so assigned directly to the assignee identified in such notice or to its designee; (iii) to accept the directions or demands of such assignee in place of those of the Lessor; (iv) to surrender the Cars to such assignee upon termination of this Agreement; (v) that, in the event of such assignment and except as otherwise provided in Articles 4, 5, 6, or 9, Lessee's obligations hereunder with respect to payment of Lease Charges shall not be subject to any reduction, abatement, defense, set-off, counter-claim or recoupment for any reason whatsoever; (vi) except as otherwise provided in Articles 2, 4 (with respect to any Car which becomes Lessee's property), 5, 6, and 14, not to terminate this Agreement; provided, however, nothing contained in this Article 12 shall relieve Lessor from its obligations to Lessee hereunder, nor shall any assignee hereof be relieved of the obligation to release its interests in any Car to facilitate Lessor's obligations contained in the second paragraph of Article 4 thereof.

13. Default: If the Lessee after five (5) business days notice shall fail to carry out and perform any of the obligations on its part to be performed under this Agreement, or if a petition in bankruptcy, for reorganization, for a Trustee, or for a Receiver, shall be filed by or against the Lessee, then, and in any of said events, Lessor shall have all rights available to it at law or in equity, including without limitation the right immediately to repossess the Cars, to remove the Cars from Lessee's service, to terminate this Agreement, and recover any and all damages sustained as a result of Lessee's default. If Lessor shall terminate this Agreement pursuant to this Section, Lessee shall remain liable for all unpaid rent and other amounts due hereunder. The rights and remedies herein given to Lessor shall in no way limit its other rights and remedies given or provided by law or in equity.

Should any proceedings be instituted by Lessor for monies due to Lessor hereunder and/or for possession of any or all of the Cars or for any other relief, Lessee shall

pay Lessor a reasonable sum as attorney's fees. In addition to any remedies provided herein, Lessor shall have all the rights provided to a Lessor under Section 1168 of Title 11 of the United States Code and any successor provision thereto.

14. Term of Agreement: This Agreement shall remain in full force and effect, with regard to each of the Cars, for a period of sixty (60) months, commencing January 15, 1986, subject only to the terms of Article 17. The Agreement shall be binding upon and insure to the legal representative and successors of Lessee and Lessor.

15. Notice: Any notice to be given under this agreement shall be given by certified mail in the following manner:

(a) Notices from Lessor to Lessee shall be sent to:

Gulf and Mississippi Railroad
605 Second Avenue North
Columbus, MS 39701
Attention: Equipment Manager

(b) Notices from Lessee to Lessor shall be sent to:

The CIT Group/Capital Financing, Inc.
270 Park Avenue, 29th floor
New York, NY 10017
Attention: Stephen M. O'Neill

16. Purchase Option: At the expiration of this Lease, if Lessee is not in default hereunder, upon thirty (30) days prior written notice, Lessee may purchase all but not fewer than all, of the Cars for \$5,000.00 each.

17. Termination: So long as Lessee is not in default hereunder, Lessee shall have the right to terminate this Lease (effective on a rent payment date) with regard to the 15 A-frame flat cars only by giving Lessor not less than one hundred eighty (180) days prior written notice.

18. Execution: This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract. This Agreement may be signed in separate counterparts as long as each party hereto shall have signed at least one counterpart.

19. Late Charges: Delinquent instalments of rent shall bear interest at the rate of 1.5% per month if not prohibited by law, otherwise at the highest lawful contract rate.

20. ICC Recording: Lessee will promptly cause this Lease to be duly filed, registered or recorded in conformity with Section 11303 of the Interstate Commerce Act or other places within or without the United States as Lessor may reasonably request for the protection of its title and will furnish Lessor proof thereof. Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, re-register, or re-record whenever required) any and all further instruments required by law or reasonably requested by Lessor, for the purpose of protecting Lessor's title to the Locomotives to the satisfaction of Lessor's counsel or for the purpose of carrying out the

intention of this Lease, and in connection with any such action, will deliver to Lessor proof of such filing.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered that day and year first above written.

ATTEST: E. W. Mankin
mgr. Can. Acctg.

GULF & MISSISSIPPI RAILROAD CORPORATION

By: L. P. Butler

Title: Super

Date: 6/23/87

ATTEST: Joe Shen
Asst. Sec.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: [Signature]

Title: Sr. V. Pres.

Date: 6/10/87

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

I, Ira Finkelson, a Notary Public in and for the State and County aforesaid, do hereby certify that Nikita Zdanow and Leo Sheer of The CIT Group/Equipment Financing, Inc., a New York corporation, whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Senior Vice President and Assistant Secretary respectively, they signed, sealed and delivered the aforesaid instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority of its Board of Directors, as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 10th day of June, 1987.

Ira Finkelson
Notary Public

IRA FINKELSON
Notary Public, State of New York
No. 60-6297225
Qualified in Westchester County
Commission Expires May 31, 1988

STATE OF MISSISSIPPI)
COUNTY OF Lauderdale)

I, Cileen Combs, a Notary Public in and for the
State and County aforesaid, do hereby certify that
CW Markin and F.A. Butler
of Gulf and Mississippi Railroad Corporation, a Mississippi
corporation, whose names are subscribed to the foregoing
instrument, appeared before me this day in person and
acknowledged that as such Mgr Car Accountant (title) and
Supt of Trans (title) respectively, they signed,
sealed and delivered the aforesaid instrument and caused the
corporate seal of said corporation to be affixed thereto,
pursuant to authority of its Board of Directors, as the free
and voluntary act and deed of said corporation for the uses and
purposes therein set forth.

Given under my hand and notarial seal this 24th day of

June, 1987.

Cileen R Combs
Notary Public

MY COMMISSION EXPIRES SEPT. 24th 1990.